



(BILLING CODE 3510-P)

DEPARTMENT OF COMMERCE

International Trade Administration

A-570-933

Frontseating Service Valves from the People's Republic of China; Final Results of Antidumping Duty Administrative Review; 2012-2013

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: On May 27, 2014, the Department of Commerce (“the Department”) published the preliminary results of the administrative review of the antidumping duty on frontseating service valves from the People's Republic of China (“PRC”).<sup>1</sup> The period of review (“POR”) is April 1, 2012, through March 31, 2013. The review covers two exporters of subject merchandise, Zhejiang DunAn Hetian Metal Co., Ltd. (“DunAn”) and Zhejiang Sanhua Co., Ltd. (“Sanhua”). The Department continues to find that DunAn did not have reviewable entries during the POR. Additionally, we find that Sanhua made no sales in the United States at prices below normal value (“NV”). Based on our analysis of the comments received, we made changes to our margin calculations for Sanhua. The final weighted-average dumping margin for this review is listed below in the section entitled “Final Results of the Review.”

EFFECTIVE DATE: (insert date of publication in the *Federal Register*).

FOR FURTHER INFORMATION CONTACT: Laurel LaCivita, AD/CVD Operations, Office III, Enforcement and Compliance, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4243.

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<sup>1</sup> See *Frontseating Service Valves From the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review; Review; Preliminary Determination of No Shipments*; 2012–2013, 79 FR 30081 (May 27, 2014) (“*Preliminary Results*”).

## Background

On May 27, 2014, the Department published the preliminary results of the subject administrative review of the order.<sup>2</sup> At that time, we invited interested parties to comment on our preliminary results.

Subsequent to the *Preliminary Results*, the following events occurred. On June 2, 2014, Sanhua provided comments on new factual information contained in the *Preliminary Results*.<sup>3</sup> On June 25, 2014, Sanhua requested a hearing.<sup>4</sup> On June 26, 2014, Sanhua filed a case brief.<sup>5</sup>

On October 14, 2014, we rejected Sanhua's post-preliminary submissions referenced above.<sup>6</sup> On the same date, the Department placed additional Bulgarian surrogate value ("SV") data on the record, and set the briefing and hearing schedule for the case.<sup>7</sup> On October 25, 2014, Sanhua filed its case brief.<sup>8</sup> Sanhua was the only party to file a case or rebuttal brief in this segment of the proceeding. Sanhua withdrew its hearing request on October 28, 2014.<sup>9</sup> On August 13, 2014, we extended the deadline for completing the final results until November 24, 2014, in accordance with section 751(a)(3)(A) of the Tariff Act of 1930, as amended ("the Act").<sup>10</sup>

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<sup>2</sup> *Id.*

<sup>3</sup> See letter from Sanhua, "Frontseating Service Valves from the People's Republic of China; A-570-933; Rebuttal, Clarification or Correction of Factual Information by Zhejiang Sanhua Co., Ltd.," dated June 2, 2014.

<sup>4</sup> See letter from Sanhua, "Frontseating Service Valves from the People's Republic of China; A-570-933; Request for a Hearing by Zhejiang Sanhua Co., Ltd.," dated June 25, 2014.

<sup>5</sup> See letter from Sanhua, "Frontseating Service Valves from the People's Republic of China; A-570-933; Case Brief by Zhejiang Sanhua Co., Ltd.," dated June 26, 2014.

<sup>6</sup> See letter to Sanhua, "Frontseating Service Valves from the People's Republic of China: Rejection of Zhejiang Sanhua Co., Ltd. ("Sanhua")'s Submissions of June 2, 2014, and June 26, 2014," dated October 14, 2014.

<sup>7</sup> See Memorandum to the File, "2012-2013 Administrative Review of the Antidumping Duty Order on Frontseating Service Valves from the People's Republic of China: Placing Additional Surrogate Value Information on the Record After the Preliminary Results," dated October 14, 2014.

<sup>8</sup> See letter from Sanhua, "Frontseating Service Valves from the People's Republic of China; A-570-933; Case Brief of Zhejiang Sanhua Co., Ltd.," dated October 25, 2014.

<sup>9</sup> See letter from Sanhua, "Frontseating Service Valves from the People's Republic of China; A-570-933; Withdrawal of Hearing Request," dated October 28, 2014.

<sup>10</sup> See Memorandum to Christian Marsh, "Frontseating Service Valves from the People's Republic of China: Extension of Deadline for Final Results of Antidumping Duty Administrative Review," dated August 13, 2014.

### Scope of the Order

The merchandise covered by this order is frontseating service valves, assembled or unassembled, complete or incomplete, and certain parts thereof. Frontseating service valves are classified under subheading 8481.80.1095, and also have been classified under subheading 8415.90.80.85, of the Harmonized Tariff Schedule of the United States (“HTSUS”). It is possible for frontseating service valves to be manufactured out of primary materials other than copper and brass, in which case they would be classified under HTSUS subheadings 8481.80.3040, 8481.80.3090, or 8481.80.5090. In addition, if unassembled or incomplete frontseating service valves are imported, the various parts or components would be classified under HTSUS subheadings 8481.90.1000, 8481.90.3000, or 8481.90.5000. The HTSUS subheadings are provided for convenience and customs purposes.<sup>11</sup> The written description is dispositive.

### Final Determination of No Reviewable Entries

As noted in the *Preliminary Results*, we received a no-shipment certification from DunAn.<sup>12</sup> The company reported that it made no shipments of subject merchandise to the United States during the POR. U.S. Customs and Border Protection (“CBP”) confirmed that it did not identify evidence of shipments from DunAn. Following publication of the *Preliminary Results*, we received no comments from interested parties regarding DunAn. As a consequence, and because the record contains no evidence to the contrary, we continue to find that DunAn did not make reviewable entries during the POR. Accordingly, consistent with the Department’s

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<sup>11</sup> A full written description of the scope of the order is contained in the memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Enforcement and Compliance, “Frontseating Service Valves from the People’s Republic of China: Issues and Decision Memorandum for the Final Results of the 2012-2013 Administrative Review” (“Issues and Decision Memorandum”), which is hereby adopted by this notice and incorporated herein by reference.

<sup>12</sup> See *Preliminary Results*, 79 FR at 30081.

refinement to its assessment practice in nonmarket economy (“NME”) cases, the Department finds that it is appropriate not to rescind the review in these circumstances, but rather to complete the review with respect to DunAn and issue appropriate instructions to CBP based on the final results of the review.<sup>13</sup>

### Analysis of Comments Received

All issues raised in the single case brief filed in this review are addressed in the Issues and Decision Memorandum. A list of the issues that parties raised and to which we responded in the Issues and Decision Memorandum follows as an appendix to this notice. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (“ACCESS”).<sup>14</sup> ACCESS is available to registered users at <http://access.trade.gov> and in the Central Records Unit, room 7046 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly on the internet at <http://www.trade.gov/enforcement/>. The signed Issues and Decision Memorandum and the electronic version of the Issues and Decision Memorandum are identical in content.

### Changes since the Preliminary Results

Based on an analysis of the comments received from interested parties and a review of the record, the Department has made the following changes in the margin calculation:

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<sup>13</sup> See *Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties*, 76 FR 65694 (October 24, 2011) (“NME Antidumping Proceedings”).

<sup>14</sup> “On November 24, 2014, Enforcement and Compliance changed the name of Enforcement and Compliance’s AD and CVD Centralized Electronic Service System (“IA ACCESS”) to AD and CVD Centralized Electronic Service System (“ACCESS”). The website location was changed from <http://iaaccess.trade.gov> to <http://access.trade.gov>. The Final Rule changing the references to the Regulations can be found at 79 FR 69046 (November 20, 2014).”

- We derived the SVs for all factors of production, with the exception of surrogate financial ratios, using Bulgaria as the surrogate country.<sup>15</sup> Specifically, we made the following adjustments:
  - We based the SVs for direct materials and packing materials on Bulgarian import statistics recorded in the Global Trade Atlas (“GTA”). We made inflation adjustments, as appropriate;
  - We based the SV for electricity on data derived from the National Institute of Statistics (Bulgaria) Electricity Prices covering the POR. We valued water using the average water rates for industrial consumers reported by the Bulgarian State Energy Regulatory Commission for the POR.
  - We based the SV for direct, indirect and packing labor on the Chapter 6A, industry-specific ILO data for Bulgaria from 2007, for Sub-Classification 28, which is described as “Manufacture of Fabricated Metal Products, except Machinery and Equipment. We made adjustments for inflation as appropriate.
  - We valued international freight using International freight price quotes from the Descartes website covering industrial plumbing supplies, valves, and valve parts, brass, iron, & copper, N.O.S., and valves and valve parts, N.O.S., available at <http://rates.descartes.com>.
  - We valued brokerage and handling expenses and truck freight using information published in the World Bank’s *Doing Business 2014, Economy Profile: Bulgaria*.

See Comment 1 of the accompanying Issues and Decision Memorandum.

- We revised the determination of the value-added tax (“VAT”) adjustment as a percentage of entered value (“ENTVALUE”). See Comment 5 of the accompanying Issues and Decision Memorandum.

### Final Results of the Review

As a result of this review, we determine that the following weighted-average dumping margin exists for the period April 1, 2012, through March 31, 2013:

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<sup>15</sup> See Memorandum to the File, “Antidumping Duty Administrative Review of Frontseating Service Valves from the People’s Republic of China: Factor Valuation for the Final Results of Review,” dated concurrent with this notice.

Exporter	Weighted-Average Margin (percentage)
Zhejiang Sanhua Co., Ltd.	0.00%

### Disclosure

We intend to disclose the calculations performed within five days of the date of publication of this notice to parties in this proceeding in accordance with 19 CFR 351.224(b).

### Assessment Rates

The Department shall determine, and CBP shall assess, antidumping duties on all appropriate entries covered by this review pursuant to section 751(a)(2)(C) of the Act and 19 CFR 351.212(b).<sup>16</sup> The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the final results of this review. The Department intends to issue assessment instructions to CBP 15 days after the date of publication of these final results of review.

We will instruct CBP to assess antidumping duties on all appropriate entries covered by this review for each individual assessment rate calculated in the final results of this review that is above *de minimis* (i.e., at or above 0.50 percent). Pursuant to 19 CFR 351.106(c)(2), we will instruct CBP to liquidate without regard to antidumping duties any entries for which the assessment rate is *de minimis* (i.e., less than 0.50 percent).

The Department recently announced a refinement to its assessment practice in NME cases. Pursuant to this refinement in practice, for entries that were not reported in the U.S. sales databases submitted by companies individually examined during this review, the Department will instruct CBP to liquidate such entries at the NME-wide rate. In addition, if the Department determines that an exporter under review had no shipments of subject merchandise, any

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<sup>16</sup> See *Antidumping Proceeding: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Duty Proceedings; Final Modification*, 77 FR 8103 (February 14, 2012).

suspended entries that entered under that exporter's case number (*i.e.*, at that exporter's rate) will be liquidated at the NME-wide rate. For a full discussion of this practice, *see NME Antidumping Proceedings*.

#### Cash Deposit Requirements

Because the antidumping duty order on frontseating service valves from the PRC has been revoked,<sup>17</sup> the Department will not issue cash deposit instructions at the conclusion of this administrative review.

#### Notification to Importers

This notice also serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of the antidumping duties occurred and the subsequent assessment of double antidumping duties.

#### Notification to Interested Parties

In accordance with 19 CFR 351.305(a)(3), this notice serves as a reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the disposition of proprietary information disclosed under the APO. Timely written notification of the return or destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and terms of an APO is a sanctionable violation.

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<sup>17</sup> See *Frontseating Service Valves from the People's Republic of China: Final Results of Sunset Review and Revocation of Antidumping Duty Order*, 79 FR 27573 (May 14, 2014).

These final results of review and notice are published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Paul Piquado  
Assistant Secretary  
for Enforcement and Compliance

Dated: November 24, 2014.



APPENDIX

## List of Topics Discussed in the Issues and Decision Memorandum

1. Summary
2. Background
3. Scope of the Order
4. Discussion of the Issues
  - Comment 1: The Use of SV Data from the Primary Surrogate Country
  - Comment 2: The Department's Adjustments to Sanhua's Scrap Offset
  - Comment 3: Removal from the Record of Rebuttal Factual Information Regarding the Use of Differential Pricing in the Preliminary Results
  - Comment 4: Use of the Differential Pricing Analysis in the *Preliminary Results*
  - Comment 5: Treatment of Value-Added Tax ("VAT") for U.S. Sales
5. Recommendation

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